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CHAIRMAN HOECKER TO LEAVE COMMISSION AFTER GUIDING IT THROUGH HISTORIC CHANGES

Chairman James J. "Jim" Hoecker of the Federal Energy Regulatory Commission said today he will leave the Commission on January 18. He has guided the Commission through historic changes to its approach to regulation and has placed it at the forefront of the drive for open, fair and competitive energy markets in North America.

The Chairman commented: "I am very thankful to President Clinton for the opportunities he gave me to serve the American energy consumer. These three-plus years have been a time of substantial progress for the Commission, both in policy and process. We have built upon the successes of the past, especially Order Nos. 636 and 888, and we have changed many past practices and policies that were preventing us from dealing effectively with the difficult issues of today. For those achievements, I thank my fellow Commissioners and our excellent staff. I also thank the key members of the Congress who supported us when we needed it. That kind of support will be critical to this agency's future success, for there are many dramatic new challenges for the FERC to address. It now becomes the task of others to plot the Commission's future course, but I think the Commission is more fully prepared than ever to fulfill its mission."

The President can fill vacancies during the recess of the Senate by making appointments which terminate only at the end of the next Senate session. President Clinton appointed Jim Hoecker to such a term in December and, therefore, Chairman Hoecker could have served on the Commission until autumn of 2001.

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During his tenure, the Commission launched major structural changes in the bulk power markets with Order No. 2000, a critical step toward broad market reforms through the formation of regional transmission organizations. The Commission also enhanced its capacity to keep pace with market changes and to respond quickly to them. It further improved competition in interstate natural gas markets with Order No. 637. In addition, it implemented a new policy for natural gas pipeline authorizations which protects landowners and the environment, but also adds greater certainty to the processing of certificate cases. Novel issues like the Kansas *ad valorem* tax case, the interagency task force on hydropower licensing reform, the decommissioning of the Edwards Dam, the Independence Pipeline certificate case, and electric restructuring legislation have also occupied the Chairman and the Commission during the past three years. All these matters were addressed while the Commission completed one of the most ambitious reengineering programs in the federal government.

Under Chairman Hoecker, the Commission's two-year FERC First program reshaped the agency and fostered greater adaptability to changes in the industries it regulates. The Commission focused on understanding and monitoring energy markets, improving energy infrastructure, and offering new services to the Commission's constituents. The Commission's processes were fundamentally changed by a new emphasis on staff teams, attention to "customer" needs, making faster decisions, and strategic thinking. A new Internet-based system for accepting and processing filings electronically and managing the growing workload through better use of information technologies successfully augmented these process reforms. New electronic filing procedures were successfully tested and a steady phase-out of paper filings is scheduled for the years ahead. The Manage-to-Budget system made all Commission administrators more cost-conscious.

In key areas such as certification of natural gas pipelines, litigated cases, and merger clearances, the Commission cut its processing time in its drive to provide rapid and effective responses to industry and consumer needs.

Throughout his chairmanship, Chairman Hoecker promoted wholesale electric competition through the development of regional transmission organizations, modernization of natural gas regulatory policies, and interagency coordination to improve the hydroelectric relicensing process at the Commission. At his direction, the Commission's first State of the Markets and State of the Agency reports were published.

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The Chairman stated that the adaptation and enhancement of the Commission's regulatory role in the new, competitive energy economy and the improvement of professional opportunities for its staff were among his primary objectives. Among the programs for staff and the public he found to be the most "fun and informative" was his Distinguished Speakers Series.

He was nominated to another five-year term by President Clinton in November 1999 but the Senate took no action on the nomination. His term expired June 30, 2000, but the Commission's governing statutes nevertheless permitted him to serve until the end of the most recent session of Congress.

He has served as a Commissioner since 1993 and was reappointed to a five-year term in 1995. He has served as Chairman since 1997.

The Chairman did not announce his plans for the future.

With Chairman Hoecker's departure, the five-member Commission will have two vacancies. Commissioners are appointed by the President with the advice and consent of the Senate to five-year staggered terms. Each Commissioner has an equal vote on regulatory matters and no more than three Commissioners may belong to the same political party. One member is designated by the President to serve as Chair and is the Commission's administrative head.

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